

PPA 220B – APPLIED ECONOMIC ANALYSIS II

**GRADUATE PROGRAM IN PUBLIC POLICY AND ADMINISTRATION
CALIFORNIA STATE UNIVERSITY, SACRAMENTO
SPRING 2017**

Professor: Rob Wassmer, Ph.D.

E-Mail: rwassme@csus.edu

Home-Page: <http://www.csus.edu/indiv/w/wasmerr/>

Class Location: Thursday, 6:00 p.m. - 8:50 p.m., **AIRC 3009**

Office: Room 3037, Tahoe Hall

Office Phone: (916) 278-6304

Office Hours: Monday and Thursday, 4:00 – 5:30 p.m.; and by appointment if necessary

Prerequisite: Grade of B- or higher in PPA 220A

Required Texts:

(1) “Cost-Benefit Analysis for Public Sector Decision Makers,” 1999, Diana Fugitt and Shanton J. Wilcox, Quorum Books; purchase at [Amazon](#) (\$10 used on Dec. 24, 2016) or the Sacramento State Bookstore.

There will also be supplemental readings chosen by myself and student groups.

SacCT:

This course requires that you have access to the World Wide Web and SacCT. On SacCT I will post an outline of material covered in each meeting. These will be available by the Friday evening before the class meets. Your grades will also be accessible through SacCT.

Course Objectives:

At the end of PPA 220B, a student that attends all meetings will:

- (1) Understand the basic process of how to conduct a benefit cost assessment (BCA) and have a working knowledge of some of the specific techniques necessary to do it.

- (2) Learn to apply the concepts of benefit-cost assessment (BCA) to a particular California public policy (for example High Speed Rail) and to appreciate this policy tool's relevance to gaining a better understanding of how to structure a policy intervention.
- (3) Be able to apply a specific public policy "tool" (Munger's Triangle, Government Failure, Comparative Institutional Analysis, Microeconomic Based Market Analysis, Market Failure Approach, BCA, etc.) to a California relevant public policy concern in order to gain a better understanding of how "best" to deal with it.
- (4) Gain a greater comfort in your ability to make a public presentation and engage in a public discussion on a public policy topic.
- (5) Explore further how the framing of a policy problem in terms of "what is fair" or "what is efficient" results in the choice of different "best" solutions.
- (6) Compose a white paper on a policy problem.

This course exposes you to the basic study and application of economics and BCA to public policy applications specific to California. You will learn and apply theoretical concepts; however, keep in mind that the goal in doing so is to increase your ability to better understand, analyze, and critique existing and proposed public policies.

Method:

This class will have two distinct halves. The first half will be coverage of BCA for public policy formulation and evaluation. I will be responsible for this in the form of lectures, classroom discussions, and homework assignments. The details on this are in meetings one (Jan. 31) through eight (March 17) described below. **For each of the BCA classes you will need to bring your own laptop with Excel installed (this includes our first meeting). If you do not have this, please arrange to share with another student.**

For the second half of the course, I am turning it over to you to practice what Mintrom described in his book's Chapter 6 as "Presenting Policy Advice." Each group of seven students will be responsible for two class meetings of coverage on one of three policy topics: (1) State and Local Taxation in CA, (2) CA Public K-12 Education / Charter Schools / Vouchers / LCFF, (3) CA Housing Affordability.

On the first night of class we will decide your assignment to a specific topic. As noted in the schedule below, each group is scheduled to meet with me for an hour before class on assigned dates to discuss their own presentations in class, and the formulation of an outside speaker panel. If we cannot finish this discussion in an hour, we will continue it at the end of class.

If there are concepts or ideas covered in a Thursday night session that you did not understand, it is important to your overall success that you get these misunderstandings resolved before the next time we meet. You can do this by talking to your fellow classmates (I encourage you to form study groups or electronic study networks), visiting me in my Monday or Thursday office hours, sending an e-mail question to me at rwassme@csus.edu, or phoning me at 278-6304. My promise to you is that if I am not in my office, I will respond to your Monday through Friday e-mail or phone call within 24 hours.

Questions, comments, and discussion about material assigned for a Thursday night class are always encouraged during that class. In office hours, I am pleased to discuss a suggestion on pedagogy, economics, and public policy in general, the PPA/ULD Program, and/or your career plans. To insure an adequate participation grade, please plan to stop by to visit me at least once during my office hours. This is especially important this semester so I can offer personal advice on your reading assignment choice, HW question, and PowerPoint presentation.

Students will need to come well prepared to class in the form of completing all reading assignments, looking over my notes and posted student PowerPoint slides, and being prepared to participate in the class discussion. I will not hesitate to call on students who do not voluntarily participate.

Twitter:

We will again use Twitter to stimulate thought on the topics covered in class and to relate to contemporary events that arise throughout the semester. I evaluate your participation as part of the overall participation grade I assign you. Some guidelines to follow: (1) post at least two tweets (but no more than five) on your specific policy topic and respond to at least two tweets on BCA from others (but no more than five), (2) post at least two tweets (but no more than five) on the specific policy area you are covering and respond to at least two other policy-area Tweets (but no more than six) on a policy area you are not covering. Remember, I evaluate these in terms of both quality and quantity.

Grading:

The grade you receive in this course comes from five different components. The first component counts 40 percent and is the average of grades assigned in eight of the 9 weekly homework (HW) assignments from the BCA material I will cover. The first homework assignment is due at our first meeting and I will get it to you at least two weeks before we are scheduled to meet. HW assignments after that will be at end of notes from previous class. I commit to having all HW assignments posted on SacCT by at least the Friday evening before they are due. **Note that the person completing them can only turn in a HW assignment on the night they are due in paper form. I will allow you to miss one HW assignment/class without punishment by only using the highest grades you received on 8 of the 9 assignments.**

The second component of your course grade counts 15 percent and is my evaluation of your PowerPoint class presentation. The third component of your grade counts 10 percent and is my evaluation of your group's handling of the outside expert panel presentation. The fourth counts 20 percent and is my evaluation of your final policy white paper. The fifth component of your overall grade counts 10 percent and is based upon the grade I assign for your participation. You must complete all of the first four components of grading in order to receive a passing grade in this class. Thus:

$$\text{Course Grade} = 0.40 * (\text{average of 8 HW assignments}) + 0.15 * (\text{evaluation of your PowerPoint class Presentation}) + 0.10 * (\text{evaluation of your Outside Expert Panel Presentation}) + 0.20 * (\text{evaluation of your final white paper}) + .15 * (\text{evaluation of your classroom and Twitter participation})$$

See the end of to this syllabus for the rubrics that I will use for grading your presentations and your white paper.

Where relevant, grades are based on the following table:

<u>Percent Correct</u>	<u>Letter Grade</u>	<u>Number Grade</u>
100-97	A+	4.3
96-93	A	4.0
92-89	A-	3.7
88-85	B+	3.3
84-81	B	3.0
80-77	B-	2.7
76-73	C+	2.3
72-69	C	2.0
68-65	C-	1.7
64-60	D	1.0
<60	F	0.0

Academic Honesty

When you do any writing for this class, or any class at Sacramento State, it is important that you are aware of what plagiarism is, and how its practice can become grounds for dismissal from the university. Details are available at the [University Policy Manual](#). The following is also helpful:

Plagiarism is a form of cheating. At Sacramento State plagiarism is the use of distinctive ideas or works belonging to another person without providing adequate acknowledgement of that person's contribution. Regardless of the means of appropriation, incorporation of another's work into one's own requires adequate identification and acknowledgement. Plagiarism is doubly unethical because it deprives the author of rightful credit and gives credit to someone who has not earned it. Acknowledgement is not necessary when the material used is common knowledge. Plagiarism at Sacramento State includes but is not limited to:

1. The act of incorporating into one's own work the ideas, words, sentences, paragraphs, or parts thereof, or the specific substance of another's work without giving appropriate credit thereby representing the product as entirely one's own. Examples include not only word-for-word copying, but also the "mosaic" (i.e., interspersing a few of one's own words while, in essence, copying another's work), the paraphrase (i.e., rewriting another's work while still using the other's fundamental idea or theory); fabrication (i.e., inventing or counterfeiting sources), ghost-writing (i.e., submitting another's work as one's own) and failure to include quotation marks on material that is otherwise acknowledged; and

2. Representing as one's own another's artistic or scholarly works such as musical compositions, computer programs, photographs, paintings, drawing, sculptures, or similar works.

Schedule:

This class meets 15 times throughout the semester. The readings for each meeting are below. **Note that additional readings for the course are not included past Meeting 9 and will be posted at SacCT when needed.**

Meeting 1 (Jan 26)

FugWil (Chapter 1) - A History of Application

[Obama's CBA Revolution](#)

[Red Tape Rising](#)

[Prospects for Regulatory Reform in the Trump Administration](#)

FugWil (Chapter 2) - The Decision Maker, the Analyst, and Cost-Benefit Analysis

FugWil (Chapter 3) - Policy Advocates and Adversaries

FugWil (Chapter 4) - Economics and Cost-Benefit Analysis

[Intro to CBA](#)

Meeting 2 (Feb. 2)

FugWil (Chapter 5) - Economic Valuation of Individual Preferences

FugWil (Chapter 6) - Who is Society?

FugWil (Chapter 7) - With and Without Analysis

FugWil (Chapter 8) - Aggregate Benefits and Costs

[Pew-MacArthur Results First Initiative](#)

[YouTube: Excel Cost Benefit Example](#)

Meeting 3 (Feb. 9)

FugWil (Chapter 9) - Present Value of Benefits and Costs Over Time

FugWil (Chapter 10) - Decision Criteria

FugWil (Chapter 11) - Discount Rate

[CBA Discounting](#)

[How Should Benefits and Costs Be Discounted in an Intergenerational Context?](#)

[WA State Institute for Public Policy](#)

Meeting 4 (Feb. 16)

FugWil (Chapter 12) – Inflation

FugWil (Chapter 13) - Time Horizon

[Putting A Price Tag On Your Descendants](#)

FugWil (Chapter 14) - Uncertainty and Risk

[Why Preschool Can Save The World](#)

FugWil (Chapter 15) - Principles of Cost-Benefit Analysis

Meeting 5 (Feb. 23)

FugWil (Chapter 16) - Identifying Benefits and Costs

FugWil (Chapter 17) - Market Valuation

FugWil (Chapter 18) - Contingent Valuation

[Valuation of Ecosystem Services: Contingent Valuation](#)

[Contingent Valuation: A Practical Alternative when Prices Aren't Available](#)

FugWil (Chapter 19) - Travel Cost Method

[Valuation of Ecosystem Services: Travel Cost Method](#)

Meeting 6 (March 2)

5 pm Discussion State and Local Taxation in CA

FugWil (Chapter 20) - Hedonic Pricing Method

[Valuation of Ecosystem Services: Hedonic Pricing Method](#)

FugWil (Chapter 21) - Valuation of Human Life

[Is it Moral to Create Markets in Human Health and Lives?](#)

FugWil (Chapter 22) - Cost-Effectiveness Analysis

David Cutler, "Pricing the Priceless," in *Your Money or Your Life* (PDF @ SacCT) or [Amazon](#) if interested in reading more on health policy/economics

[Why We Must Ration Health Care](#)

Meeting 7 (March 9)

5 pm Discussion CA Public K-12 Education / Charter Schools / Vouchers / LCFE

FugWil (Chapter 23) - Principles for Identifying and Valuing Benefits and Costs?

[Critique of Cost-Benefit Analysis, and Alternative Approaches to Decision-Making](#)

[EconTalk: Pindyck on Climate Change](#)

[The Economics of Global Climate Change](#)

[California's climate fight could be painful — especially on job and income growth](#)

[On climate, a rough road ahead for California](#)

[California is about to find out what a truly radical climate policy looks like](#)

[CBA in K-12 Education](#)

Meeting 8 (March 16)

5 pm Discussion CA Housing Affordability

[Transportation Benefit-Cost Analysis](#)

[Stadiums: Last Week Tonight with John Oliver](#)

Wassmer, Ong, and Propheter: “Suggestions for the Needed Standardization of Determining the Economic Impact of Professional Sports” (PDF @ SacCT)

[What’s My Multiplier?](#)

[Critical Mass Report of Sacramento Soccer MLS Stadium](#)

[How the Sacramento Kings “Golden” Investment is Driving Unprecedented Growth](#)

Meeting 9 (March 30)

[EconTalk: Bent Flyvbjerg on Megaprojects](#)

[What You Should Know About Megaprojects and Why: An Overview](#)

[2014 California High-Speed Rail Benefit-Cost Analysis](#)

[California High Speed Rail Project Greenhouse Gas \(GHG\) Emissions: A Dynamic Impact and Cost Analysis](#)

Meeting 10 (April 6)

Readings posted later

Topic: State and Local Taxation in CA

6 - 6:30: Student 1 Presentation
6:30 - 7: Student 2 Presentation
7 - 7:30: Student 3 Presentation
7:30-7:45: Break

7:45-8:15: Student 4 Presentation
8:15-8:45: Student 5 Presentation

Meeting 11 (April 13)

Readings posted later

Topic: State and Local Taxation in CA

6 - 6:30: Student 6 Presentation
6:30 - 7: Student 7 Presentation
7 - 7:15: Break
7:30-8:50: Outside Expert Panel Discussion

Meeting 12 (April 20)

Readings posted later

Topic: CA Public K-12 Education / Charter Schools / Vouchers / LCFF

6 - 6:30: Student 1 Presentation
6:30 - 7: Student 2 Presentation
7 - 7:30: Student 3 Presentation
7:30-7:45: Break
7:45-8:15: Student 4 Presentation
8:15-8:45: Student 5 Presentation

Meeting 13 (April 27)

Topic: CA Public K-12 Education / Charter Schools / Vouchers / LCFF

6 - 6:30: Student 6 Presentation
6:30 - 7: Student 7 Presentation
7 - 7:15: Break
7:30-8:50: Outside Expert Panel Discussion

Meeting 14 (May 4)

Readings posted later

Topic: CA Housing Affordability

6 - 6:30: Student 1 Presentation
6:30 - 7: Student 2 Presentation
7 - 7:30: Student 3 Presentation
7:30-7:45: Break
7:45-8:15: Student 4 Presentation

8:15-8:45: Student 5 Presentation

Meeting 15 (May 11)

Readings posted later

Topic: CA Housing Affordability

6 - 6:30: Student 6 Presentation

6:30 - 7: Student 7 Presentation

7 - 7:15: Break

7:30-8:50: Outside Expert Panel Discussion

White Paper Due (May 18)

Presenter Name: _____ Grade: _____

Grading Rubric for Student PowerPoint Presentations

Preliminary

PPA 220B

Spring 2017

Excellent = 10, Good = 9, Acceptable = 8, Needs Improvement = 7, Poor = 6, Absent = 0

Required Content	10	9	8	7	6	0
Clarity/organization in presenting material through PowerPoint (no more than 20 slides used)						
Ability to engage the audience in discussion						
Handling of questions						
Ability to stay within the allotted time frame and cover material effectively (20 minutes for PowerPoint, 10 minutes for discussion)						
“Comfort” level displayed in public speaking						
Command of the material / appropriate knowledge of the subject (Five times other values)	<u>50</u>	<u>45</u>	<u>40</u>	<u>35</u>	<u>30</u>	<u>0</u>

Total score (100 possible)

Comments (Three Positive and One Area to Work On):

1.

2.

3.

4.

White Paper Assignment

PPA 220B – Spring 2017 – Professor Rob Wassmer

Due May 18, 2017 in Word form

One Grade Deduction for Every Day Late

Submit an Electronic Copy to rwassme@csus.edu

Preliminary

Overview

You are to write no more than a seven-page (not counting cover page, figures, tables, and references), typed, and double-spaced (12 Times New Roman Font, one-inch margins White Paper) on your chosen policy topic in a manner described below.

Within your policy topic, you will cover one chosen area that is not be duplicated by someone else in your group. When I meet with you, we will discuss what these will be.

I will use the rubric contained on the next page to score your assignment and assign it a grade. Pay careful attention to what this rubric is asking for and the further instructions offered below.

Instructions

You should structure your White Paper as an essay with an appropriate cover page, introductory section that describes what is in the essay, section headings that cover the requested material, and a concluding section. You will need a reference list at the end and **citations must be in [APA style](#)**. Tables and figures should be included in an appendix to the essay and they do not count toward your seven-page limit. I will not read beyond seven pages. (Your cover page and reference list is not part of this eight-page limit.) Other than these constraints, including the mandatory components described below, the remaining form of the write up is up to you.

Name: _____

**Grading Rubric for Final Policy White Paper
PPA 220B, Spring 2017**

Excellent = 10, Good = 9, Acceptable = 8, Needs Improvement = 7, Poor = 6, Absent = 0

<i>Required Content</i>	10	9	8	7	6	0
Development and organization: appropriate introduction and conclusion, organization clearly described in introduction and done as stated, appropriate headings for sections						
Writing mechanics: grammar, spelling, word choice, and sentence structure						
Presentation: appropriate and attractive format						
Citations: accurate citations and listing of references using APA style						
Tufte style figures/diagrams/charts: minimum of three						
Command of the material/knowledge of the subject (Five times other values): how well do you cover the approach assigned to your section (that is representing what others have written about it and in reaching your own conclusions)	<u>50</u>	<u>45</u>	<u>40</u>	<u>35</u>	<u>30</u>	<u>0</u>

**Your Total Score (100
Possible)**

GRADE